

**The following page of the present
Preliminary Amendment in application Serial No.
10/066,486, filed January 31, 2002 is a substitute page 1 of
the specification incorporating the changes made herein**

**PRIVACY MODE SYSTEM AND
METHOD FOR HOME NETWORK TELEPHONE
CROSS-REFERENCE TO RELATED APPLICATION**

This application claims the benefit of U.S. Provisional
5 Application No. 60/312,362, filed August 14, 2001.

This application also claims the benefit of U.S. Provisional
Application No. 60/327,688, filed October 5, 2001.

BACKGROUND OF THE INVENTION

1. Field of the Invention

10 This invention generally relates to Home Network telephony
and, more particularly, to a system and method for controlling privacy in
a Home Network telephone system.

2. Description of the Related Art

In a conventional analog residential telephone system, a user
15 taking a telephone off-hook will join any call currently active on that
residential line. In prior art business private branch exchange (PBX)
networks having a call manager and distribution system, whenever a new
extension goes off-hook, it is connected to the next free external line, and
will not join any existing call. However, PBX networks are intended for
20 business use, and typically only have a private mode of operation.

Although Home Network telephone systems have only
recently emerged, as yet there appears to be no established process for
protecting the privacy of an initial caller, if a second endpoint takes a busy
external line off-hook. That is, conventional Home Network systems do
25 not support any kind of privacy mode. The only mode conceived in current
Home Network phone systems is the public mode, which mimics some
analog telephone line behaviors, although not the change in impedance
(volume) that occurs as phones are taken off and on line.